



GRAY DAVIS

Controller of the State of California

November 27, 1991

COUNTY AUDITOR-CONTROLLERS
COUNTY ADMINISTRATIVE OFFICERS
COUNTY WELFARE DIRECTORS

COST PLAN INFORMATION RELEASE NO. 11-91 - GUIDELINES FOR GRANT
REIMBURSEMENT OF SPACE COST

The purpose of this release is to notify all counties of a policy change relating to the methods counties may use in claiming space costs for their Grant Programs. It is the Federal Government's Policy to reimburse a grantee for the cost of space which it needs to conduct federally sponsored programs. In the past, an alternative to claiming space costs through a use allowance or depreciation was the **Capital Expenditure Method**.

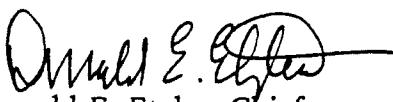
This method requires a great amount of time and resources to review and approve. Due to the lack of resources at both the State and Federal Government, the **Capital Expenditure Method will no longer be an alternative.**

This policy change is effective with the date of this letter. The Handbook of Cost Plan Procedures for California Counties will be revised at a later date.

If you have any questions please call me at (916) 445-5153

Cordially,

GRAY DAVIS, STATE CONTROLLER

By 
Donald E. Etzler, Chief
Bureau of County Cost Plans

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